

Senate Bill No. 1340

CHAPTER 483

An act to amend Sections 84104, 84203.5, 90000, 90003, and 91013.5 of the Government Code, relating to the Political Reform Act of 1974.

[Approved by Governor September 10, 2004. Filed
with Secretary of State September 10, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1340, Perata. Political Reform Act of 1974.

(1) Under existing law, the Political Reform Act of 1974, it is the duty of each candidate, treasurer, and elected officer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements and to comply with other specified campaign disclosure provisions. The filer is required to maintain these records for a specified period.

This bill would provide that it is also the duty of each candidate, treasurer, and elected officer to establish that campaign statements were properly filed. The bill would revise the period for which the filer is required to maintain the above-described records.

(2) Under the Political Reform Act of 1974, a candidate or committee that has made independent expenditures totaling \$1,000 or more in a calendar year is required to file independent expenditure reports, as specified.

This bill would require filing officers to maintain paper independent expenditure reports under the name of the candidate or measure supported or opposed by the independent expenditure.

(3) The act requires the Franchise Tax Board to make audits and field investigations, as specified, with respect to reports and statements filed with the Secretary of State regarding campaign disclosure and lobbyists, and grants the board discretionary authority to do the same.

This bill additionally would require the board to make audits and field investigations with respect to reports and statements filed with the Secretary of State regarding limitations on contributions.

(4) The act authorizes the Fair Political Practices Commission or the filing officer to bring a civil action and obtain a judgment in superior court for the purpose of collecting any unpaid monetary penalties, fees, or civil penalties imposed pursuant to the act.

This bill would provide that the civil action shall be commenced within 4 years after the date on which the monetary penalty, fee, or civil penalty was imposed.

(5) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these penalties on persons who violate the provisions of this bill.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(7) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a $\frac{2}{3}$ vote.

The people of the State of California do enact as follows:

SECTION 1. Section 84104 of the Government Code is amended to read:

84104. It shall be the duty of each candidate, treasurer, and elected officer to maintain detailed accounts, records, bills, and receipts necessary to prepare campaign statements, to establish that campaign statements were properly filed, and to otherwise comply with the provisions of this chapter. The detailed accounts, records, bills, and receipts shall be retained by the filer for a period specified by the commission. However, the commission shall not require retention of records for a period longer than the statute of limitations specified in Section 91000.5 or two years after the adoption of an audit report pursuant to Chapter 10 (commencing with Section 90000), whichever is less.

SEC. 2. Section 84203.5 of the Government Code is amended to read:

84203.5. (a) In addition to any campaign statements required by this article, if a candidate or committee has made independent expenditures totaling one thousand dollars (\$1,000) or more in a calendar year to support or oppose a candidate, a measure or qualification of a measure, it shall file independent expenditure reports at the same time, covering the same periods, and in the places where the candidate or committee would be required to file campaign statements under this article, as if it were formed or existing primarily to support or oppose the candidate or measure or qualification of the measure. No



independent expenditure report need be filed to cover a period for which there has been no activity to report.

(b) An independent expenditure report shall contain the following information:

(1) The name, street address, and telephone number of the candidate or committee making the expenditure and of the committee's treasurer, and the number assigned to the committee by the Secretary of State.

(2) If the report is related to a candidate, the full name of the candidate and the office and district for which the candidate seeks nomination or election. If the report is related to a measure or qualification of a measure, the number or letter of the measure, or if none has yet been assigned, a brief description of the subject matter of the measure, and the jurisdiction in which the measure is to be voted on or would be voted on if it qualified.

(3) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received less than one hundred dollars (\$100).

(4) The total amount of expenditures related to the candidate or measure during the period covered by the report made to persons who have received one hundred dollars (\$100) or more.

(5) For each person to whom an expenditure of one hundred dollars (\$100) or more related to the candidate or measure has been made during the period covered by the report and for each person who has provided consideration for an expenditure of one hundred dollars (\$100) or more during the period covered by the report:

(A) His or her full name.

(B) His or her street address.

(C) If the person is a committee, the name of the committee, the number assigned to the committee by the Secretary of State, or if no number has been assigned, the full name and street address of the treasurer of the committee.

(D) The date of the expenditure.

(E) The amount of the expenditure.

(F) A brief description of the consideration for which each expenditure was made and the value of the consideration if less than the total amount of the expenditure.

(G) The cumulative amount of expenditures to such person.

(6) A list of all the filing officers with whom the committee filed its most recent campaign statement.

(c) Filing officers shall maintain paper reports filed pursuant to this section under the name of the candidate or measure supported or opposed by the independent expenditure.

SEC. 3. Section 90000 of the Government Code is amended to read:

90000. Except as provided in Section 90006, the Franchise Tax Board shall make audits and field investigations with respect to the following:

(a) Reports and statements filed with the Secretary of State under Chapter 4 (commencing with Section 84100), Chapter 5 (commencing with Section 85100), and Chapter 6 (commencing with Section 86100).

(b) Local candidates and their controlled committees selected for audit pursuant to subdivision (i) of Section 90001.

SEC. 4. Section 90003 of the Government Code is amended to read:

90003. In addition to the audits and investigations required by Section 90001, the Franchise Tax Board and the commission may make investigations and audits with respect to any reports or statements required by Chapter 4 (commencing with Section 84100), Chapter 5 (commencing with Section 85100), or Chapter 6 (commencing with Section 86100).

SEC. 5. Section 91013.5 of the Government Code is amended to read:

91013.5. (a) In addition to any other available remedies, the commission or the filing officer may bring a civil action and obtain a judgment in superior court for the purpose of collecting any unpaid monetary penalties, fees, or civil penalties imposed pursuant to this title. The action may be filed as a small claims, limited civil, or unlimited civil case, depending on the jurisdictional amount. The venue for this action shall be in the county where the monetary penalties, fees, or civil penalties were imposed by the commission or the filing officer. In order to obtain a judgment in a proceeding under this section, the commission or filing officer shall show, following the procedures and rules of evidence as applied in ordinary civil actions, all of the following:

(1) That the monetary penalties, fees, or civil penalties were imposed following the procedures set forth in this title and implementing regulations.

(2) That the defendant or defendants in the action were notified, by actual or constructive notice, of the imposition of the monetary penalties, fees, or civil penalties.

(3) That a demand for payment has been made by the commission or the filing officer and full payment has not been received.

(b) A civil action brought pursuant to subdivision (a) shall be commenced within four years after the date on which the monetary penalty, fee, or civil penalty was imposed.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates



a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 7. The Legislature finds and declares that this bill furthers the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.

